



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

For Immediate Release:

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Kelly Oversight Panel to Examine Report of Squandered Funds at New Orleans Housing Authority

The House Financial Services Subcommittee on Oversight and Investigations, chaired by Rep. Sue W. Kelly (NY), will hold a hearing at 1:30 p.m. Monday, June 4 in **room C-501, the Ceremonial Courtroom, of the Hale Boggs Federal Building in New Orleans** on the Housing Authority of New Orleans (HANO).

"The Oversight subcommittee is committed to ensuring that the residents of the New Orleans Housing Authority are provided with decent, safe and sanitary housing," said Kelly. "According to the most recent HUD Inspector General report, HANO continues to be plagued by mismanagement and waste. The community of New Orleans deserves answers to why these problems have been allowed to continue and how to address the current situation at HANO."

The report, issued May 11 by the Housing and Urban Development (HUD) Inspector General, calls for HUD to take over the agency, split it into smaller units and set up nonprofit organizations to manage HANO's demolition, relocation and voucher efforts.

Despite millions of dollars in additional federal funds and several reform efforts over the past decade, broken windows endangering children, fungus-ridden plumbing and rodent infestation, among other deplorable conditions, still exist in many housing units.

The audit accuses HANO, which has long been among the most troubled of U.S. housing authorities, of squandering hundreds of millions of dollars. It concludes that the agency wasted funds on planning, consultant fees, and management, rather than using money to make actual needed improvements to HANO properties.

"The citizens of Louisiana, American taxpayers, Congress, and the residents of New Orleans public housing most of all, deserve answers about persistent unsatisfactory housing conditions and HANO's management of hundreds of millions of dollars in federal assistance to improve them," said Rep. Richard H. Baker (LA). "We need to investigate the facts, hold responsible parties accountable, and move toward a solution that ultimately improves the lives of those we profess to be helping."

The subcommittee will hear from local housing authorities and HUD officials on the current state of the agency and consider what is needed to ensure better housing for the thousands of people dependent on HANO programs.

Witnesses scheduled to testify are:

- Deborah Davis, Chairwoman, Desire Resident Council Association, New Orleans
- Laura French, Resident, St. Bernard Apartments, New Orleans
- Chet Drozdowski, Director, HUD Office of Public Housing, New Orleans
- Marc Morial, Mayor, New Orleans (invited)
- D. Michael Beard, District Inspector General, HUD Office of Inspector General
- Frank Nicotera, Executive Monitor, Housing Authority of New Orleans

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